

**2020**  
**ACCOUNTANCY (OLD COURSE)**

Full marks : 70

Time : 3 hours

**General instructions:**

i) *Approximately 15 minutes is allotted to read the question paper and revise the answers.*

ii) *The question paper consists of 17 questions. All questions are compulsory.*

iii) *Marks are indicated against each question.*

iv) *Internal choice has been provided in some questions.*

**N.B:** *Check that all pages of the question paper is complete as indicated on the top left side.*

1. Define partnership. 1
2. Write two methods of calculating interest on partners drawing. 1
3. What is meant by revaluation account? 1
4. Who is called an executor? 1
5. Write one preferential right of a preference shareholder. 1
6. Under which heading “forfeited share account” is shown in the Balance Sheet of a company? 1
7. What is “Debenture Trust Deed”? 1
8. X and Y are partners in a firm sharing profits and losses in the ratio of their capital which were ₹ 60,000 and ₹ 40,000 as on 1<sup>st</sup> January, 2019. According to their agreement, both the partners are entitled to ₹ 1,000 per month as salary and 5% interest on their capital. They are also to be charged an interest of 5% on their drawings irrespective of the period, which is ₹ 12,000 for X and ₹ 8,000 for Y. Prepare profit and loss appropriation account. 3
9. State any three circumstances under which a partnership firm is compulsorily dissolved. 3
10. Differentiate between capital reserve and reserve capital. 3
11. Annapurna Limited purchased a building for ₹ 2,20,000. Half of the payment

was made by bank draft and the balance by issue of 12% debenture of ₹ 100 each at a premium of 10%. Pass necessary journal entries. **3**

12. Under which heading will the following items be shown in the balance sheet of a Limited Company.

- |                             |                          |                 |
|-----------------------------|--------------------------|-----------------|
| i) Securities Premium       | ii) Preliminary expenses |                 |
| iii) Bills Receivables      | iv) Furniture & Fittings |                 |
| v) Authorised share capital | vi) Provision for tax.   | <b>6x1/2= 3</b> |

13. a. State the difference between shares and debentures on any six basis.

**Or**

**6**

- b. X Limited issued 5,000, 10% debentures of ₹ 100 each at a premium of ₹ 10 per debenture. Payable ₹ 20 on application, ₹ 60 (including premium) on allotment and ₹ 30 on final call.

Applications were received for 7,000 debentures. Allotment was made on pro-rata basis to all the applicants. Surplus application money was adjusted against money due on allotment. All money were duly received. Pass journal entries in the books of the company.

14. Answer **any two** from the following:

**2x6=12**

- a. Explain any six advantages of financial analysis.
- b. From the following balance sheets of Arihant Textile Limited, prepare a Comparative Balance Sheet .

**Balance Sheets of Arihant Textile Limited  
as on 31<sup>st</sup> March, 2018 and 2019**

<b>Liabilities</b>	<b>2018</b>	<b>2019</b>	<b>Assets</b>	<b>2018</b>	<b>2019</b>
Current Liabilities	2,00,000	4,00,000	Fixed Assets	12,00,000	18,00,000
Reserves	3,00,000	2,00,000	Less : Accumulated		
12% Loan	5,00,000	8,00,000	Depreciation	2,00,000	3,00,000
Share capital	5,00,000	10,00,000	Current Assets	10,00,000	15,00,000
				5,00,000	9,00,000
	15,00,000	24,00,000		15,00,000	24,00,000

- c. From the balance sheet, calculate the following ratios:
- Debt Equity Ratio
  - Proprietary Ratio
  - Total Assets to Debt Ratio.

**Balance Sheet of YZ Limited  
as at 31<sup>st</sup> March, 2018**

Liabilities	`	Assets	`
Equity Share Capital	15,00,000	Fixed Assets	16,50,000
General Reserve	6,00,000	Investment (Long Term)	1,60,000
12% Debentures	5,00,000	Stock-in-Trade	9,10,000
Bank Overdraft	2,00,000	Debtors	12,40,000
Sundry Creditors	12,00,000	Cash at Bank	40,000
	40,00,000		40,00,000

15. a. Following is the Balance Sheet of 'P' and 'Q' sharing profits as 3:2

BALANCE SHEET of 'P' and 'Q'

Liabilities	`	Assets	`
Creditors	18,000	Debtors	22,000
General reserve	25,000	Less: Provision for doubtful debts	<u>1,000</u>
Workmen			21,000
Compensation fund	15,000	Land and building	18,000
Capital Accounts:		Plant and machinery	12,000
P	15,000	Stock	11,000
Q	10,000	Bank	21,000
	83,000		83,000

On admission of 'R' for 1/6<sup>th</sup> share in the profits it was decided that:

- i) Provision for doubtful debts to be increased by ` 1,500.
- ii) Value of land and building were to be increased to ` 21,000.
- iii) Value of stock to be increased by ` 2,500.
- iv) A liability of workmen compensation fund was determined to be ` 12,000.
- v) 'R' was to bring cash ` 15,000 for his capital and ` 10,000 for his share of premium goodwill.

Prepare Revaluation A/C, Partner's Capital Accounts and the Balance Sheet of the new firm.

**Or**

**10**

- b. M, N and O were partners sharing profits in the proportion of  $\frac{1}{2}$ ,  $\frac{1}{3}$  and  $\frac{1}{6}$  respectively. The Balance Sheet of the firm on 31<sup>st</sup> December, 2019 was as follows:

**Balance Sheet of M, N and O as on 31<sup>st</sup> December, 2019**

Liabilities	`	Assets	`
Sundry Creditors	12,600	Cash at bank	4,100
Provident Fund	3,000	Debtors	30,000
Reserve Fund	9,000	Less: Provision for } bad debts	1,000
Capital Accounts:			29,000
M - 40,000		Stock	25,000
N - 36,500		Investment	10,000
O - <u>20,000</u>	96,500	Patents	5,000
		Plant and Machinery	48,000
	1,21,100		1,21,100

‘O’ retired on the above date as per the following terms:

- i) Goodwill of the firm was valued at ` 27,000.
- ii) Value of Patents was to be reduced by 20% and that of Plant and Machinery by 10%.
- ii) Provision for doubtful debts was to be raised to 6%.
- iv) ‘O’ took over the investments at a value of ` 15,800.
- v) Liability on account of provident fund was only ` 2,500.

Prepare Revaluation Account, Partners’ Capital Accounts and Balance Sheet of the new firm.

16. a. Intra Lab Limited with as authorized capital of ` 2,00,000 in equity shares of ` 10 each, issued 12,000 equity shares, payable:

On application	` 3
On allotment	` 2
On 1 <sup>st</sup> call	` 2
On final call	` 3

The company received applications for 15,000 shares and pro rata allotment was made to all applicants. All money payable up to allotment was duly received by the company except that one share holder, holding 1,600 shares, who had failed to pay the calls money. Pass journal entries and prepare the balance sheet of the company.

**Or**

**10**

- b. Apple Limited offers 10,000 shares of ` 10 each to the public. The amount was payable as follows:

On application	` 3 per share
On allotment	` 2 per share
On 1 <sup>st</sup> call	` 3 per share
On final call	` 2 per share

Applications were received for all the shares and all were accepted. All money was duly received except a holder of 200 shares who failed to pay both the calls. Pass the necessary journal entries to record the above transactions in the Company’s book and show how the shares will appear in the Company’s Balance Sheet.

17. a. From the following Comparative Balance Sheets of Asian Paints Limited for the year ended 31<sup>st</sup> December, 2017 and 2018. Prepare the Cash Flow Statement as per AS-3(Revised).

**Comparative Balance Sheets of Asian Paints  
as on 31<sup>st</sup> December, 2017 and 2018**

Liabilities	2017	2018	Assets	2017	2018
Provision for doubtful debts } Accumulated depreciation: } Machinery } Building } Creditors } Outstanding expenses } Debentures } Equity share capital } Profit & Loss A/C }	2,000  3,000 12,000 33,000 3,500 90,000 1,50,000 23,500	3,000  7,500 18,000 40,000 4,500 35,000 2,00,000 52,000	Cash Pre paid expenses } Debtors Stock Investment (Long term) } Machinery (at cost) } Building (at cost) } Land	43,000 2,000 80,000 32,000 50,000 25,000 75,000 10,000	58,000 2,000 90,000 40,000 30,000 40,000 90,000 10,000
	3,17,000	3,60,000		3,17,000	3,60,000

**Or**

**10**

- b. Following is the summarised balance sheets of AMCO Limited as on 31<sup>st</sup> December, 2018 and 2019.

**BALANCE SHEETS OF AMCO LIMITED  
as on 31<sup>st</sup> December, 2018 and 2019**

Liabilities	2018	2019	Assets	2018	2019
Share capital General Reserve Profit & Loss A/C Bank Loan(long term) } Sundry Creditors Provision for taxation }	2,00,000 50,000 30,500 70,000 1,50,000 30,000	2,50,000 60,000 30,600 - 1,35,200 35,000	Land & Building Machinery & Plant Stock Sundry Debtors Cash Bank Goodwill	2,00,000 1,50,000 1,00,000 80,000 500 - -	1,90,000 1,69,000 74,000 64,200 600 8,000 5,000
	5,30,500	5,10,800		5,30,500	5,10,800

Prepare the Cash Flow Statement.

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